

Order Instituting Rulemaking on the Commission's Own Motion Into Competition for Local Exchange Service.	R.95-04-043
Order Instituting Investigation on the Commission's Own Motion Into Competition for Local Exchange Service.	I.95-04-044

**SBC California's (U 1001 C) Status Report
On the November 17, 2003 Collaborative Workshop Regarding
SBC's Proposed Batch Cut Process**

SBC California submits this status report to the Staff of the Commission's Telecommunications Division, as requested by Staff and as agreed upon by the participants of the collaborative workshop of November 17, 2003 regarding SBC's proposed batch cut process.

Introduction and Procedural Background

On October 8, 2003, the Assigned Commissioner and the Administrative Law Judge in this proceeding adopted a ruling that found that the batch cut process lends itself to at least partial resolution through a collaborative workshop. Accordingly, the October 8 ruling scheduled a collaborative workshop for November 17, 2003.

In preparations for this collaborative workshop, SBC California, as an initial procedural step, filed testimony on November 7, 2003, providing its proposed batch cut process.¹ Consistent with the October 8 ruling, SBC California's November 7, 2003 proposal was preliminary because, as its November 7 testimony represented, SBC

¹ See Joint Testimony of Carol A. Chapman, Domenic J. Cusolito, Barbara Heki, and Connie A. Hernandez on Behalf of SBC California, dated November 7, 2003 ("November 7 testimony").

California expected to submit a more fully developed final proposal based on CLEC input, after the November 17 collaborative workshop.

In addition, as its November 7 testimony indicated, SBC California recommended that its proposed California batch cut processes incorporate, to the extent possible, industry recommendations provided in pending batch cut collaborative workshops underway in the SBC Midwest states² and the SBC Southwest states.³ Based on these ongoing multi-regional industry discussions, SBC California proposed that it would make a final batch cut proposal on December 15, 2003.

At the conclusion of the November 17 batch cut collaborative workshop the parties agreed to summarize their positions, either procedural or substantive, or both, and to provide them to Commission Staff by Thursday November 20. The purpose of this Status Report is to:

- Provide SBC's summary of the November 17, 2003 batch cut workshop.
- Recommend a schedule to document SBC California's final batch cut proposal, including a summary of all issues raised in the collective collaborative efforts and SBC California's response to each issue, and to propose a process to narrow and define disputed batch cut issues.

Summary of the November 17 Batch Hot Cut Workshop

On November 14, 2003 Staff distributed an Agenda for the November 17 workshop. It consisted of four basic components: a summary of existing hot cut

² The Midwest states include Illinois, Indiana, Michigan, Ohio and Wisconsin.

³ The Southwest states include Arkansas, Kansas, Oklahoma, Missouri and Texas.

processes; suggested batch cut process, focused on seven specific issues⁴; CLEC comments and agreements; and action items and proposed next steps.

During the November 17 workshop, SBC California summarized its existing hot cut processes and addressed the seven agenda items associated with its proposed batch cut process. SBC's presentation was premised on its understanding of the October 8 ruling that the process for developing a batch cut process should be the result of an iterative process that permits meaningful inputs from CLECs. This iterative process will narrow disputed issues concerning the batch cut process development and minimize the use of evidentiary hearings in the California proceeding. As noted above, this iterative process was recognized in the October 8 ruling as a means "to seek consensus and narrow areas of dispute." *Id.* at 9. SBC California's initial filing and its recommendations provided in this Report further these goals.

First, as indicated in the workshop, the California collaborative benefits from other SBC regional collaborative workshops simply because these multiple forums allow additional opportunity for dialogue and for substantive interactions between CLECs and SBC's personnel on many technical issues. Second, a meaningful exchange of issues in a collaborative workshop prior to SBC's commitment to a final batch cut process provides SBC an opportunity to identify CLEC issues and suggestions regarding the batch cut process in a non-litigious environment. Third, based on the discussion in California and in ten other SBC states, SBC California believes fewer issues will need to be addressed in evidentiary hearings.

⁴ These seven issues include: batch size, scalability, technical processes, cut-off for DSO customers, testing, performance metrics, and pricing. SBC California's position on each is summarized below.

The collaborative workshops in the Midwest and in the Southwest produced a matrix of issues that CLECs asked SBC to consider in committing to a final batch cut process. At the November 17 workshop, SBC California voluntarily presented this matrix of issues to the Staff and the workshop participants in an effort to help the California collaborative be productive, and encourage focus on those issues that may be California-specific.⁵

A review of the issues matrix shows that CLECs have raised primarily technical issues about implementation and operational matters, less than concerns about the basic parameters of SBC's proposed batch cut process. Likewise, the November 17 collaborative in California did not identify any new substantive issues, although a number of implementation and operational questions were raised. The questions raised by California Staff at the workshop will be added to the matrix. In addition, SBC California requested that the other collaborative participants provide to SBC California in writing by Thursday November 20, any additional issues or suggestions that they believe should be considered by SBC in making its final batch cut proposal. In response to Staff's request, SBC California does not believe that any of the existing issues on the matrix are inapplicable to California.

As a result of this solid background based on past regional workshops, the collaborative discussion in California was particularly focused on procedural and timeline issues regarding SBC's preliminary batch cut proposal. For this reason and as requested by Staff, SBC California provides to the Staff for its consideration a recommendation for a proposed schedule and next steps for SBC California's final batch cut process.

⁵ This issues tracking matrix will be revised with CLEC and Staff input and will be distributed tomorrow.

Proposed Schedule and Next Steps

As described in the November 17 workshop, SBC California's proposed schedule includes the following milestones.

First, on November 21, 2003, SBC will distribute a final consolidated issues tracking matrix that will show every issue raised in the three regions – Midwest, Southwest, and the West (California). This issues matrix will include all Staff issues raised on November 17 and all issues provided to SBC California by November 20, 2003, from the other California collaborative participants. It will not, at this time, include SBC response to these issues.

Second, on December 4, 2003, SBC will circulate to the California participants the issues tracking matrix with as many SBC responses completed as possible. This tool will facilitate dispute resolution, help manage the issues of concern for the Staff in an efficient manner, and narrow potential disputed facts for evidentiary hearings. If Staff or the California participants believe it would be productive, SBC California recommends a collaborative conference call to discuss SBC's December 4 matrix. Such collaborative conference calls have been scheduled in the Midwest for December 5 (9-11 am CST) and in the Southwest for December 9 (10 am – 5pm CST).

Third, on December 15, 2003, SBC will provide two documents. The first document will be SBC's final batch cut proposal, including detailed process flow charts. It is SBC's objective to address the CLECs' issues raised in California, as well as those heard in the other collaborative discussions to the extent practicable and feasible. The second document will be the completed issues tracking matrix. The objective of this

second document will be to facilitate the identification of any remaining batch cut process disputes issues.

Fourth, SBC proposes that the CLECs provide written responses to SBC California's final proposal for batch cut in writing by close of business on December 22, 2003. A second round of workshops via a conference call on December 29, 2003, after the CLECs submit their written response to the SBC final batch cut proposal, will further help narrow disputed issues. Following this round of discussions, parties can submit a status report to Staff the next day, on December 30, to aid Staff in preparing its report to ALJ Pulsifer and Commissioner Kennedy on issues resolved and disputed. Based on these reports, to the extent evidentiary hearings are deemed needed on any batch cut process issues, they should be scheduled in coordination with the other evidentiary hearings in this proceeding.

Fifth, during the November 17 workshop, SBC California represented that prior to January 17, 2004, it will make recommendations on whether performance measures 9 and 9 (a) of the Joint Partial Settlement Agreement on Performance Measures (see, D.03-07-035) should be modified to address any unique issues raised by the batch cut processes. SBC California recommends that any such issues be presented to the JPSA participants who are expected to meet on or before January 17, 2004 to commence the next performance measure review. SBC California also recommends that any such issues be given priority treatment and that they be resolved within 60 days of the commencement of the JPSA review.

Sixth, SBC will propose TELRIC compliant prices for the batch cut processes in January 2004. We recommend that CLECs be permitted to file their preliminary

comments within seven days of SBC California's pricing proposal. A collaborative workshop on pricing could be held shortly after the CLECs' comments to help identify and narrow disputed pricing issues.

Seventh, SBC California notes that it does not intend to include a batch cut process for line splitting or line sharing in its December 15 final batch cut proposal. However, the various line-splitting and line-sharing scenarios -- including whether any of them involve hot cut and if so what process and priority should be assigned to them -- are being identified and prioritized by SBC and the industry in a series of 13-state collaborative workshops SBC initiated. Once the network architecture for these scenarios is agreed upon, then the various migration scenarios will be defined and addressed.

//